

HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

COMMITTEE

ON

PUBLIC ACCOUNTS

Wednesday, May 12, 2021

Video Conference

**COVID-19 Recovery and Response
Re: 2020 Financial Report of the Auditor General**

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Public Accounts Committee

Elizabeth Smith-McCrossin (Chair)

Hon. Gordon Wilson (Vice-Chair)

Hon. Karen Casey

Hon. Leo Glavine

Bill Horne

Rafah DiCostanzo

Tim Halman

Lisa Roberts

Susan Leblanc

[Hon. Karen Casey was replaced by Hon. Ben Jessome.]

In Attendance:

Kim Langille
Legislative Committee Clerk

Gordon Hebb
Chief Legislative Counsel

Morgan McWade,
Assistant Auditor General

Kirk Robinson,
Audit Principal

WITNESSES

Department of Finance and Treasury Board

Kelliann Dean,
Deputy Minister

Ryan Grant,
Executive Director - Treasury Board Office

Lilani Kumaranayake,
Executive Director - Fiscal Policy, Economics and Budgetary Planning

Department of Inclusive Economic Growth

Scott Farmer,
Deputy Minister

Jennifer Angel,
President & CEO - Develop Nova Scotia

Nova Scotia Business Inc.

Laurel Broten,
President & CEO

Tourism Nova Scotia

Darlene MacDonald,
Acting CEO

Anna Moran,
Director, Research and Policy

Nova Scotia COVID-19 Response Council

Matt Hebb,
VP Government and Global Relations - Dalhousie University



House of Assembly
Nova Scotia

HALIFAX, WEDNESDAY, MAY 12, 2021

STANDING COMMITTEE ON PUBLIC ACCOUNTS

8:30 A.M.

CHAIR

Elizabeth Smith-McCrossin

VICE-CHAIR

Hon. Gordon Wilson

THE CHAIR: Welcome to the Public Accounts Committee. I'd like to call the meeting to order. My name is Elizabeth Smith-McCrossin. I am the MLA for Cumberland North, and I have the honour of chairing today's meeting.

Before we get started, I just want to go through a few reminders with these virtual meetings that we're having. I'd like witnesses to please keep their video on during the meeting. Members, please keep your video on during the meeting as well. This is particularly important so we can see everyone's faces.

Please keep your mics muted until you're called upon to speak and wait until I recognize you before you unmute your mic. When you're ready to speak, please raise your hand. As well, I'm asking for everyone in attendance to please place your phones on silent or vibrate.

Now I'll ask all committee members to introduce themselves. I would like to start with the Deputy Chair, Mr. Wilson.

[The committee members introduced themselves.]

THE CHAIR: Thank you to all committee members today. Next, I'd like to introduce the agenda. We'd like to welcome officials from the Department of Finance and Treasury Board, the Department of Inclusive Economic Growth, Nova Scotia Business Inc., Tourism Nova Scotia, and the Nova Scotia COVID-19 Response Council to discuss COVID-19 recovery and response with respect to the 2020 Financial Report of the Auditor General.

Now I'd like to ask our witnesses to introduce themselves, and I'd like to begin with Deputy Dean.

[The witnesses introduced themselves.]

THE CHAIR: Thank you, everyone. We do have a full house. I can see everyone.

I would like to now invite Deputy Dean to make her remarks, and that will be followed by Mr. Farmer and then Mr. Hebb.

KELLIANN DEAN: Thank you and good morning, Madam Chair and committee members. Thank you very much for this opportunity.

As part of our core responsibility to establish a sound fiscal framework and oversight over public finances, the Department of Finance and Treasury Board has been tracking government spending related to COVID-19 and impacts on our revenues. We are also committed to providing transparent financial reporting.

As part of our fiscal updates, we have provided fact sheets summarizing COVID-19 expenditures. The committee would have received one from July 2020, which informed the Auditor General's chapter that we are here to discuss today, and a second at our most recent forecast from March 2021.

For 2021-22, our expectations at budget time related to COVID-19 financial impacts have been presented in the budget documents. Our fiscal updates and our year-end public accounts provide information about government's finances in a transparent and objective way for Nova Scotians. Currently, we are forecasting net COVID-19 operating expenditures for 2020-21 to total \$617.2 million.

As well, stimulus dollars for buildings, highways and structures and investments in the Canada Infrastructure Program totalled \$156.7 million. Together, COVID-19 supports totalled \$773.9 million as of the March 2020-21 forecast. This unprecedented level of spending was directed toward the health care system and Nova Scotians in the fight against the virus. It provided much-needed assistance to individuals and families. It supported mental health, long-term care, personal protective equipment, public education, public safety, and various programs for business and the economy.

Thankfully, Nova Scotia had a strong fiscal position when the pandemic arrived. Even more importantly, Nova Scotians answered the call to follow Public Health protocols. We have learned that strong Public Health contributes to a strong economic recovery. Before the third wave, we were seeing positive economic signs, including a rebound in full-time employment. All of our credit rating agencies confirmed our outlook is stable.

The plan to give every Nova Scotian who is able to receive a vaccine a first dose by the end of June is on track. However, the last few weeks have been particularly difficult for all Nova Scotians as we once again adhere to stricter Public Health measures to curb the spread of COVID-19. The impact of this wave remains uncertain. What we do know is that our economic recovery is tied to the evolution of the pandemic.

Government will continue to support individuals, families, students, seniors, and businesses as needed. The Department of Finance and Treasury Board will continue to keep the public updated on our economic position through regular forecast updates and public accounts.

While there are several witnesses here today, I also invite members to direct questions to Deputy Farmer and myself, and we can help direct responses to the appropriate entity if the committee would find that helpful. We welcome your questions about government spending and revenue impacts related to COVID-19.

THE CHAIR: Now I'll invite Mr. Farmer to share his remarks.

SCOTT FARMER: Thank you for the opportunity to speak with the committee to tell you more about Inclusive Economic Growth and our role in supporting businesses during the pandemic.

Since I joined the department in March, the COVID-19 situation in Nova Scotia had changed dramatically. We know that businesses in our province have faced substantial challenges and are now facing them again. Throughout the pandemic, we have been guided by the notion that good public health is good economic policy and Nova Scotia businesses have supported that approach. As part of the changes to departments in March, the former Department of Business was renamed Inclusive Economic Growth.

Working collaboratively with our Crown Corporations - NSBI, Innovacorp, Tourism Nova Scotia, Events East, Develop Nova Scotia - we are focused on creating the conditions for businesses to thrive and creating an economy in which all Nova Scotians can participate, contribute, and benefit. The department leverages relationships with government departments, the post-secondary sector, economic development organizations, and other private sector partners to build vibrant, innovation-driven ecosystems. We will help to grow the province's population by developing policy to support attraction of long-stay visitors and remote workers, and through business attraction as our economy starts to reopen.

Today I'm joined by the CEOs of three of our Crown Corporations: Darlene MacDonald, Acting CEO of Tourism Nova Scotia; Laurel Broten, CEO of Nova Scotia Business Inc.; and Jennifer Angel, CEO of Develop Nova Scotia. The Crown corporations work in partnership with government to drive economic growth and support the success of the Nova Scotia business community.

Doing this work through a pandemic has been challenging. It hasn't been a straight and narrow path. One year ago, we were facing a global pandemic and a provincial lockdown. Nova Scotians were afraid and uncertain. They answered the call and stayed home. Many businesses were forced to close to prevent the virus from spreading and it didn't take long before the pressure mounted on their rent, payroll and other bills.

[9:15 a.m.]

Government officials needed to react quickly. The gravity of this situation and the urgency of the need was unprecedented and there was no playbook. We looked to the federal government to lead the way. The province responded to gaps in federal support and areas of our economy directly impacted by Public Health restrictions. Dalhousie University has been a significant partner in this response and Matt Hebb is joining us today, as you know. Over the year, we saw significant government dollars flow into our economy. We also saw businesses adapt, pivot and innovate.

Madam Chair, I want to acknowledge that while Nova Scotia was experiencing positive economic recovery but for the most recent third wave, many businesses - especially those in the tourism and hospitality sector - have been severely impacted by the pandemic. They will need longer to recover. As Nova Scotia's tourism marketing and sector development organization, Tourism Nova Scotia will focus on rebuilding and reimagining the tourism sector through programs, partnerships and marketing.

Government will also continue to work with Dalhousie University as a valued partner to deliver programs to the Nova Scotia COVID-19 Response Council. Government will continue to work with our Crown corporations, business sector and the Nova Scotia COVID-19 Response Council to support business and foster our economic recover. Thank you and I look forward to the committee's questions.

THE CHAIR: Thank you, Mr. Farmer. Now I'd like to invite Mr. Hebb for his opening remarks.

MATT HEBB: I am here this morning on behalf of the Nova Scotia COVID-19 Response Council at Dalhousie University, or the NSCRC. I would like to open by acknowledging that Dalhousie University is located in Mi'kma'ki, the ancestral and unceded territory of the Mi'kmaq. We are all treaty people.

The NSCRC was established by a contribution agreement between the Province of Nova Scotia and Dalhousie University in March 2020. At that time, as today, there was significant concern about the spread of the virus and the toll it would take on people, on businesses, on our health care system and more. I remember that because spread in Canada lagged behind some European countries and because Nova Scotia was about two weeks behind the rest of Canada, there was the window of time during which Public Health officials could learn from experiences elsewhere.

While that proved fortunate, it was also a frightening moment in which we could look ahead at what would be coming to our province. It was in this moment that the Province approached Dalhousie to ask for help. There was an urgent need to get support as quickly as possible to Nova Scotia businesses and individuals. We answered the call, agreeing to do whatever we could to help our province.

The contribution agreement provided for \$50 million to be deposited with Dalhousie and provision for up to \$50 million more. Initial programs were conceived of to get support to vulnerable Nova Scotians who either might not qualify for the federal CERB or for whom that program might not come soon enough, and to small businesses whose operations had been halted or curtailed by the Public Health orders. Dalhousie would take responsibility for putting in place the systems needed to run key support programs. We would rely on the Province to provide us with core advice on policy, intent and desired outcomes.

The contribution agreement was signed on March 31, 2020. On April 10th, two programs were open and receiving applications. To date, we've overseen about \$88 million in spending and commitments of that \$100 million. Dalhousie has charged nothing for this. The total expenses incurred by Dalhousie are just over \$38,000, which was to pay for wages for students and faculty members who supported the stand-up and delivery of the small business impact grant.

I would like to recognize the team of people at Dalhousie who for the last 14 months have worked incredibly hard to support these efforts. This has been done on top of not only their regular work, but also all the work we've had to do as an institution to manage our own response to COVID-19.

While I would certainly acknowledge that all these efforts bear the traces of the tumultuous times in which they took place, I believe we were able to do a very good job with a very tough task. Working with our partners, we managed to flow millions of dollars to thousands of individuals and businesses within a matter of weeks.

I'll end my opening remarks with a very brief passage from Dalhousie's recently released strategic plan which is called Third Century Promise:

“The success and prosperity of Dalhousie and of Nova Scotia are inextricably intertwined. Our strategy and ambitions [as a university] on the global stage must simultaneously be a project to elevate the social, environmental and economic prosperity of our province...We are intimately tied into the life of the province - Dalhousie is a civic university for Nova Scotia, with a shared civic duty to contribute to Nova Scotia’s future.”

This passage reflects our deep-seated commitment to the well-being of the people of Nova Scotia, and our intention to be active and intentional in our commitments.

Thank you, and I welcome questions the committee may have.

THE CHAIR: Thank you very much, Mr. Hebb. We’re certainly looking forward to a great discussion now.

Before I open things up for questions, I would like to recognize MLA Jessome who’s in today for Karen Casey. Mr. Jessome, would you like to introduce yourself?

BEN JESSOME: Thank you, Madam Chair, and my apologies. I am on my phone right now and I am awaiting the blessings of my computer to kick in, so I may be back out and in again before the meeting is through, but I am available and here.

THE CHAIR: We’re glad that you were able to join us today.

I’m now going to open up questions. Where there is so many of us, and so many witnesses as well, I just ask for patience and when you’d like to speak, just to raise your hand so that I can see you.

We’ll start today’s questions with the PC caucus. I’d like to open the floor to Mr. Halman.

TIM HALMAN: Thank you, Madam Chair. Deputy Ministers Dean and Farmer, our CEOs from our Crown corporations, our senior staff that are with us here from the various departments and Crown corporations - I want to take this opportunity to thank you for the professionalism you’ve demonstrated this past year throughout the pandemic.

As was indicated in one of the opening remarks, there was no playbook for this. Certainly, I think Nova Scotians acknowledge that. I want to thank you for the ongoing work that you’re doing and the professionalism you’ve demonstrated.

I would be remiss in my responsibilities as an elected official if I didn’t take this opportunity to clearly articulate some of the feedback I’ve received from our businesses

throughout Nova Scotia. Specifically as it relates to Budget 2021, and specifically as it relates to the Small Business Impact Grant.

As my colleagues who are MLAs on Public Accounts Committee are aware, we are privy to a lot of concerns that come to our offices. Obviously, I know for me, I've had a lot of concerns expressed to me about the lack of support, specifically through the Small Business Impact Grant. I spoke to one of my small business owners here in Dartmouth East yesterday, and she put it very bluntly. She indicated that this does absolutely nothing to support sole proprietors. I'm sure staff are aware of the press release that was put out by the Business Improvement Districts here in metro, concerns expressed by the Chambers of Commerce. There are a lot of concerns that are out there.

My first line of questioning, I'd like to start off with a discussion of the Small Business Impact Grant. As we're all aware - for those of us that are following these economic policies throughout the last year, citizens of Canada were eligible for the CERB program. We all know, you know, some desperately needed that support. This program was easily accessible, it wasn't a loan because we know that some are unable to pay that back.

I come from a family of entrepreneurs. I totally get it when business owners tell me they're struggling to pay utilities, they're struggling to pay their rent, their tax payments. These are things that have to be paid regardless of closures. Yet we're not offering grants, we're offering loans. It's my understanding some of the loans offered are partially forgivable only if paid back early, and that the system is designed for businesses that are profitable enough to have the capacity to pay these loans early.

Small businesses are not often eligible for this small rebate and are burdened with the loan at a time when the future is uncertain. If I can say this, all of us around here at this meeting, we have a paycheque every two weeks. Our entrepreneurs do not have that.

I'm going to toss it back to the deputy ministers. Can you outline how the Small Business Impact Grant better supports small business? I've heard a lot of concerns.

SCOTT FARMER: Thank you, Mr. Halman, for the question and the points that you've raised as it relates to the Small Business Impact Grant.

I'll start a little bit with the policy approach that's been taken throughout. It's been to try to fill in the gaps in the federal programs. The federal programs are much outsized to the provincial programs, necessarily. Some of the large-scale programs that have been offered have had good uptake from Nova Scotia businesses, but I think that certainly there's always opportunity for other businesses to take advantage of them.

There's been the wage subsidy program, which in the federal budget was extended into September, which will provide up to a 75 per cent wage subsidy for all vying

businesses. There's been the Canada Emergency Business Account, which is a loan, as you point out. It's a loan up to \$60,000, a third of which is forgivable. We would encourage any eligible business to consider that. If they were facing a cash flow problem, there's the Emergency Rent Subsidy. That's a federal program that will cover up to 90 per cent of rent where there's a lockdown situation. The base is 65 per cent, but it scales up to 90 per cent when there's a forced closure.

Those are some of the primary federal programs that are in place. Over time, we've had the Small Business Impact Grants 1, 2, and 3 in the province. There was a Small Business Reopening and Support Grant as well. The current programs that are open now, I'll say, are the Small Business Impact Grant 3, which I referred to, and it's based on a percentage of lost sales up to \$5,000.

[9:30 a.m.]

There's also the Tourism Accommodations Real Property Tax Rebate Program, which is open and operating now for qualifying tourist accommodations, they can access that. There's the Small Business Real Property Tax Rebate that will be opening on Friday of this week, and it's being administered by the COVID-19 Response Council.

We've got some programs in place. We interact very regularly with the business community. There's a group that some will be aware of, the Nova Scotia Business and Labour Economic Coalition. The Halifax Chamber of Commerce sponsors it, but chambers from all around the province participate, along with industry associations and businesses. It started out daily at the beginning of the pandemic and had gone to weekly, and we've just reverted to a daily meeting as well - the first of which was Saturday on the daily schedule with Dr. Strang.

We're very interested to hear from business what's working and what's not. Both the minister and the Premier have indicated that we'll continue to listen and adjust the plans, so I wouldn't want anyone to conclude that things have been shut down. We're certainly very interested in the feedback that we're getting from business in terms of where there are some additional needs.

TIM HALMAN: The bottom line of what I'm hearing via the business improvement districts through the businesses in East Dartmouth is that government is simply not providing enough support for small business during this pandemic. Obviously, I'm glad to hear that dialogue is taking place between government agencies and our business sector, but I think there needs to be more consultation, especially based on what we've heard in the last few days from our business improvement districts - the feedback we've received from that.

You look at the criteria for that Small Business Impact Grant. They're designed for large and profitable businesses. Profitable businesses with a 15 per cent profit or more than

the \$5,000 are eligible for a grant at \$5,000, yet small businesses whose 15 per cent is very small are offered a very small percentage of that \$5,000.

Here's a question: Why can't small businesses at least select the month to which this applies, or, ideally, those who are most in need be offered the maximum of \$5,000 while those less in need receive the minimum?

THE CHAIR: Okay. Who would like to answer that question? Mr. Farmer.

SCOTT FARMER: I was just referring back to the specific terms of the calculations. For established businesses, it's based on a monthly revenue decrease to qualify and then it's 15 per cent of sales from April 2019 or February 20th. For new businesses that don't have a track record going back to those two time frames - and it's the higher of those two amounts, I should say - for businesses that don't have a track record going back that far, it's equal to 15 per cent of the sales revenue for any month from April 20th to March of 2021. They can choose the month upon which the grant is calculated to have the biggest impact for them.

TIM HALMAN: I'd like to turn my attention now to the Tourism Sector Financing Assistance Program. I believe this would be most appropriate for CEO Broten.

I recall at the time when that was announced there was some pretty sharp criticism that came out from the Tourism Industry Association. Things like "this is simply poor public policy." I recall a smaller operator had used the term "asinine" when it came to that program. There's been a lot of criticism.

Could you outline and explain the genesis of the Tourism Sector Financing Assistance Program?

SCOTT FARMER: I'll start. That was a program under the COVID-19 Response Council banner rather than NSBI. The logic on this was that the entire tourism sector in the province benefits from certain anchor businesses that provide necessary infrastructure and attract and move people.

At the same time, the federal programs that were in place were leaving a gap. There was a financing program that applied to operators smaller than the criteria applied by the Province, and there was a program for operators much larger, but there wasn't anything that really fit this mid-market area - large by Nova Scotia terms, but mid-market in national terms.

The program was designed to allow some of these anchor-type tourism operations to access credit at a lower rate and help them, from a sustainability perspective, in that way - easing their cash flow through access to credit.

It's a loan guarantee that's in place for them. It's not a direct subsidy and there's every prospect of the full amount being returned back at the end of it, should the loan guarantees not be called upon.

The criteria that were in place - I'm just referring to it here; I don't want to go from memory - it included at least 100 full-time employees, over \$10 million in sales annually, 50-per-cent reduction in revenue. The qualifying companies under that program were Cabot Links, which is significant to tourism for lots of Cape Breton; Ambassadors Gray Line; Murphy's on the Water; and Coach Atlantic.

Obviously when we're thinking about the bus companies, that's critical infrastructure to get people to other tourist destinations around the province, particularly when we think about the example of somebody who maybe comes off a cruise ship and goes to a winery in the Valley. That was the logic and the thinking behind that.

The loan guarantees go for five years, and if they're not called upon in five years, then they'll be returned to the fund.

TIM HALMAN: Thank you, deputy. There's another aspect to this question I'd like you to address. What was the genesis of this programming? Can you provide examples of similar programs in other provinces?

SCOTT FARMER: I'll invite Mr. Hebb to comment on this, if he can. This preceded my time and I hadn't had conversations around the genesis of the program but rather around sort of the rationale for it. Perhaps Mr. Hebb can comment on that.

THE CHAIR: Mr. Hebb.

MATT HEBB: Thank you, Madam Chair. I believe that the genesis of the program - certainly there was a dialogue, as I recall, between the tourism sector and the government. A federal program had been introduced, the thresholds of which would be similar in many ways but the thresholds of which I gather were just too big for Nova Scotia companies to qualify, in terms of the size of companies.

My recollection is that the government was concerned that the biggest operators in the province would not be able to avail themselves of the federal support program that had been put in place.

TIM HALMAN: Thank you, Mr. Hebb. Could you clarify what consultations have taken place with the Tourism Industry Association? Why is the government so resistant to implementing the travel rebates that would have encouraged Nova Scotians to spend their travel money locally, despite the calls from the Tourism Industry Association to do this? Could you provide some clarity to that?

THE CHAIR: Who would like to answer that question? Mr. Farmer.

SCOTT FARMER: I'll start and then I'll invite Darlene MacDonald to add in terms of the consultation and the regular interaction that takes place with the Tourism Industry Association.

We understand that there's an interest in a travel-incentive program of some type. We've discussed this as recently as probably 10 days ago where the minister met with the TIANS board. We discussed a number of different concerns from their perspective and interests. The travel incentive is certainly one that TIANS has been advocating for.

The discussion we had was we want to be assured that any travel incentive was equitable, so that the tourist operators that had been affected most were going to receive the most benefit through any type of a program, and that it was strategic and aligned with the goals of extending the travel season in Nova Scotia - particularly important when we lose the front end of the season in terms of how do we extend the back end. Ultimately, over time we want to have Nova Scotia be more of a four-season destination so that tourism operators get to benefit year-round.

There are some parameters, I would say, around what a program would need to look like that the minister had communicated. We'll continue to have dialogue with TIANS. There was a working group that was established - three working groups under a larger working group - and travel incentives was one of the pieces that they've been working on. We haven't yet received their formal recommendation from that committee.

With that as our introductory, maybe I'll let Darlene expand a little bit on what the regular interaction is with TIANS and some of the structures that are in place.

THE CHAIR: Before we go to Ms. MacDonald, I'll just give a reminder there's two minutes left with the PC time. Ms. MacDonald.

DARLENE MACDONALD: Thank you, Madam Chair. Certainly, since the beginning of the pandemic, Tourism Nova Scotia has been reaching out to our industry partners and businesses across the province. We have regular and frequent communications with the Tourism Industry Association of Nova Scotia, and as Deputy Farmer indicated, we participate on the Tourism Stabilization and Recovery Working Group and the various subcommittees.

In addition, working with the industry association, Tourism Nova Scotia has been very supportive of their programming such as the Clean it Right program, a very important program to ensure that businesses are implementing proper protocols and making sure that they're instilling confidence in visitors that people are going to have safe visitor experiences.

We're also working with TIANS in what we call the Tourism Reactivation of Industry Program, and that, in effect, was providing TIANS with support so that in turn they could help assist their membership in reopening plans, dealing with occupational health and safety, helping navigate all of the various federal and provincial programs. Our relationship with TIANS continues on, and we'll look at all the ways in which we can help continue to support industry throughout the province.

THE CHAIR: We just have 15 seconds left for the PC caucus, so I may - if it's okay with Mr. Halman - move to the NDP caucus.

The honourable member for Dartmouth North.

SUSAN LEBLANC: Thank you, Madam Chair, and thank you, Mr. Halman, for your 15 seconds.

I'm going to start with talking about the plan for economic recovery. In the December 2020 Report of the Auditor General, the Auditor General suggested that Nova Scotians should ask the government when they can expect to see a plan for a longer-term economic recovery.

I'm wondering if any of the witnesses can tell us if they have been involved in the development of any such plan to guide Nova Scotia's economic recovery, and if not, then who is doing that planning?

KELLIANN DEAN: I think it's been very clear to us that our plan for economic recovery is to ensure that there is a good, strong public health recovery. When people follow Public Health measures, when we vaccinate, that is when our economy will begin to rebound. We've been pretty firm about that, and we've seen signs that that is indeed the case.

All of the measures that are being put in place right now to support people to help get them through this pandemic will ensure that when we are finished fighting this pandemic, that our economy will recover.

After the first and second wave, we started to see some rebound in our economy. That does show that when people are healthy and when we have that more under control and our numbers are lower, that our economy then can continue to rebound. That is how we factored it into our fiscal plan, what we anticipate over the next four years. I can point to my colleagues, as well, if they would like to add to that. Lilani?

LILANI KUMARANAYAKE: I think the one thing we can say about COVID is that it is uncertain. Nova Scotia came into the pandemic in a very strong economic position, so in 2019 we saw the fastest growth since 2010, lowest unemployment rate in about 47

years, our labour force had the fastest annual increase. We started with - let's say February 2020, our economy was actually doing very well in terms of a long-term perspective.

[9:45 a.m.]

What we have seen over the last year or so is really, this was a huge impact on Nova Scotians, their livelihoods, and people. But we've seen that as the COVID rates were reduced and it was manageable, the economy really did do a sharper increase. We received from Statistics Canada the latest GDP estimates for 2020, and surprisingly the estimated GDP growth rate was down about 3.2 per cent. Our estimates from Finance and Treasury Board, we thought were down about 5 per cent, so it's relatively an improvement.

What it does show is given that we've got good economic fundamentals, that controlling the pandemic, and being able to manage it certainly does aid in or is probably the number one reason that we can move forward. The investments in terms of allowing Nova Scotians to cope with the pandemic, but also the vaccination rollout are going to be the most important aspects. What's good for public health is good for the economy, and that has been the approach that we followed.

SUSAN LEBLANC: I'm really glad to hear that statement, what's good for public health is good for the economy, and therefore I hope in the next several years we see increased budgets for Public Health that aren't COVID-related. I completely agree with the wisdom of investing in upstream health care, and I hope that the government will listen to you experts and make sure that a substantial increase in Public Health happens in the next few years once we're out of this particular mess.

I feel like I heard before the pandemic that Nova Scotia was in a pretty good economic situation and better than many years before and yet we know that we still have serious issues with child poverty, we still have serious issues with poverty in general here, we have very low food security in many populations. I think it's so interesting to hear the comments and then recognize what the reality is in my own community and in many communities across the province. The housing crisis obviously - we have a huge issue with affordable and adequate housing right now.

Where I go with that is, let's just do better. We were doing okay and we have to get through this hump, but we also have to do better than we were doing. Okay is not enough.

That brings me to my next question. Recently, the Premier's Office announced an Economic Growth Council that will advise on Nova Scotia's recovery after COVID-19. I'm wondering how the Departments of Finance and Treasury Board and Inclusive Economic Growth were involved in the development of the council, and how do you expect to be involved in the work of the council in the future? I guess that's for Deputy Dean and Deputy Farmer.

KELLIANN DEAN: I think what I would like to do, actually, is to defer to my colleague, Deputy Farmer, and also add that depending on what the outcome of the Economic Growth Council will be, we will be happy to work with them to implement the recommendations that they raise. My colleague may shed some light on further work with the council.

SCOTT FARMER: The Economic Growth Council is, I would say, a relatively new concept. It was announced April 7th, so has been in place for just a little over a month. The mandate of the council is to be advisory to the Premier and the government on policy options and actionable ideas to grow the economy.

There's a real focus on what needs to be in place to further nurture the province as a good place to start a business and scale up a business. There's also a focus on improving the climate in Nova Scotia in terms of regulatory burden, which we have had some good success with historically, but always an opportunity to build on that - better service, better communication with the business community and to be very clear about some concrete things.

There won't be a study or a report. There will be a set of recommendations to government that come from the council, its membership, and those that they have reached out to. It's very early days. The government liaison between the Province and the council is Fred Crooks, who is the Chief Regulatory Officer and leads the Office of Regulatory Affairs and Service Effectiveness. There's a secretariat function from the Office of Strategy Management.

There has been engagement with departments. I know that Ms. Broten has had very recent conversations with the chair of the advisory council. The aim is to get to some specific actionable things that can be considered from a policy perspective for the province. I would anticipate that there will be more to be said about this as it evolves, recognizing that it's a month in at this point.

SUSAN LEBLANC: I guess this is for Mr. Farmer as well. On the council, there are no voices from the environmental, not-for-profit, labour, education sectors, or in fact, any municipalities. It appears so far that the council will not have a mandate to report publicly. You mentioned the recommendations to government, but there's no mandate for public reporting. I'm wondering what response you might have to criticisms that the council is business-heavy and not transparent.

SCOTT FARMER: I'm hesitant to speak for the council or the chair. What I will observe is that it's a council of a number well-recognized, well-credentialed Nova Scotians with an intention to engage with other groups. If the membership doesn't reflect any particular constituency, that's not to say that they won't have an opportunity to input and have a voice into the work of the council.

SUSAN LEBLANC: For many months, our caucus has been calling on the government to establish an economic recovery task force - call it an economic growth council or call it an economic recovery task force. Our idea for this would have had representatives from environmental organizations, industry, and business.

By the way, I do agree with you that the current make-up of the council has a lot of amazing heavy-hitter people on it, and their expertise will be absolutely essential and needed. However, I feel like there's a lack of folks from environmental organizations, labour unions, African Nova Scotian organizations, Mi'kmaw representation - although Chief Terry Paul is there, but further Mi'kmaw communities - colleges and universities, experts on education and economics, and an MLA from each of the Parties.

The mandate of the task force that we have been calling for would be to advise government on the impacts of COVID-19, including the disproportionate effect on women and racialized communities, the prospects for recovery from those impacts, including opportunities for change, as I mentioned earlier, and the best use of government supports. We have piles of evidence - and I'm sure it's all in your files as well - that investments in infrastructure, child care, local food and energy production, arts and culture, film and television, and basic energy efficiency work would create thousands of green jobs in Nova Scotia.

I am wondering, will the economic council be mandated to ensure that recovery spending addresses the climate change and focuses on green job creation?

SCOTT FARMER: Again, without speaking for the council, what I would observe is that the Throne Speech talked about the focus of government being at the nexus of the economy, the environment, and equity. I would say that when we look at the various departmental mandate letters, that's been made manifest in the instructions that have been given to ministers and departments.

I would say those considerations and priorities are reflected consistently in the mandates of departments. Within those, many of them begin with, work with - and we've got several of them - Labour and Advanced Education, Education and Early Childhood Development, Immigration and Population Growth, for example, to achieve certain objectives. Underlying all the priorities is a focus on the environment, equity, and inclusion. If I think about our own mandate letter, for example, some of the things that are in there are net new and consistent with that.

Ms. Broten has given direction at NSBI to focus on carbon reduction, as part of the mandate letter. We've received direction in the mandate letter to include under-represented groups and economic policy-making. There is a focus in the mandate letters to a number of departments on the circular economy. I would say that those things are embedded in the mandates of ministers, but not embedded in a group, perhaps, as you've described it.

SUSAN LEBLANC: Thank you very much for that answer. I want to move on to talk about the additional appropriations that we discussed in Budget Estimates just in this past session. This year, along with the budget for 2021-22, we also saw some accounting of the \$1 billion in additional appropriations made, many as the result of the impacts of COVID-19.

Once again - and I didn't point this out the first time but my colleague did at the time - it is disappointing to see that this spending proceeded with no legislative oversight. I will reiterate that it is unfortunate that Nova Scotia has the dubious distinction of being the only province that did not have a legislative sitting during the first and, I guess, actually, the second wave of the pandemic. I think it's notable that you are all here and that we can ask questions on behalf of our constituents about these appropriations.

My first question is: In terms of the additional appropriations, what criteria were used to determine where the funding would be allocated, and how did the government decide which sectors of the economy or which members of the public would be able to access funding or programs for support?

THE CHAIR: Who did you want to answer that question, Ms. Leblanc?

SUSAN LEBLANC: Sorry, I guess Ms. Dean.

KELLIANN DEAN: Thank you very much for that. I think I'll provide a high-level response. As we were dealing with COVID-19, our main objective was to get resources and supports into the hands of people as quickly as possible. We ensured that we followed appropriate protocols and respected the authority of departments in ensuring that that money was spent and that programs were delivered in a timely manner.

I'll now defer to Lilani and Ryan. Lilani, would you like to follow up on that and perhaps then Ryan may like to contribute as well?

LILANI KUMARANAYAKE: In terms of the work since the budget - the budget was tabled at the end of February last year and then we had our first cases of COVID-19 in mid-March. Since that time, even before that, government had started working and Public Health had been rolling out, looking at protocols because I think we were fortunate we were the last province to have a positive case, so we were able to learn a little bit.

Then in terms of what was required, there was ongoing discussion with the federal government as well. All three levels of government were working quite closely to see what was needed. What we realized was that every jurisdiction was different in some way.

I'm going to pass it on to my colleague, Ryan, who can speak to some of the details of the appropriations that were tabled at budget time.

[10:00 a.m.]

THE CHAIR: Okay, and just before he speaks, I'll just let you know there are two minutes left for the NDP caucus. Mr. Grant.

RYAN GRANT: Great, thank you, Madam Chair. Last year, like the importance in context and starting point would have been, as Lilani and Deputy Dean have identified, where the budget was presented and passed, spending authority was in place prior to the onset of COVID-19. In the first number of months there really was a lot of working with departments to identify where there was a wide variety of expenses and cost categories required for responding and reacting to the pandemic, including responding with the Public Health orders and restrictions.

Our internal process is really led by the Treasury Board Office in working with departments, continue to look at where we start from a place of the Budget Estimates and then as the months advance we have reporting structures into our office that identify what variances there are, relative, again, to the expense categories appropriated for a department and what those explanations are, working with departments on a monthly basis and continuing to get a line of sight as to where there are variances (Inaudible) appropriation.

As that process continues to unfold in the months heading up to a public update, there are determinations made if an additional appropriation is required for a department. Last year, given the significant variance in changes - yes, there is a statutory requirement for our first public update to occur by the end of September, but a decision was made to move that up a number of weeks and months and to seek approval, which was received for additional appropriations for a number of departments.

That process was replicated heading into December, so another wave of additional appropriations were required at that point. Then, also associated with the Budget 2021-22, is also the important milestone of final forecast for the prior fiscal year of 2020-21, also an important milestone for that assessment on overall variance and where additional appropriation is required. The process is really Treasury Board Office in conjunction with departments and where deputy heads, with consultation with our office, believe there is additional appropriation required. Then we move through the approval process and reporting thereafter.

THE CHAIR: Thank you very much. The time has now elapsed for the NDP caucus. We'll move to the Liberal caucus for questions. We'll start with the honourable Ben Jessome.

BEN JESSOME: Thanks so much, Madam Chair. My first question, and I guess I should add a note of gratitude to my opening here. I appreciate the work you folks are doing to help keep us afloat and keep us moving and, certainly in conjunction with Public Health, keep us safe.

My question ties into the work that's being done in conjunction and partnership with, particularly, the federal government. I think it might be appropriate for Mr. Farmer to delve into the relationship the province has with the federal government in providing businesses with complementary support so that we're not double-dipping but we're making an effort to support businesses collectively, as best we can.

SCOTT FARMER: The approach that the Province has taken to date has been to look to the federal government as the primary responder and to fill in gaps that might exist and respond to the various restrictions and the public health orders. There are a number of federal programs that have been in place over time. The Canada Emergency Response Benefit was a particularly important program off the start, at the beginning of the pandemic. It provided necessary income supports. At the same time there was a student grant that was in place for students who were unable to access summer work last year.

Over time, there have been a couple of versions of a rent subsidy program. There was the Canada Emergency Commercial Rent Assistance Program that was in place initially, which was a cost-shared program. The Province paid 25 per cent and the federal government paid 75 per cent of that. A subsequent federal program has been the Canada Emergency Rent Subsidy program, which pays up to 65 per cent of rental subsidy, or 90 per cent in the case of businesses that are required to be closed.

The Canada Emergency Business Account has been an important program to allow access to capital. It's a loan program, a third of which is forgivable at the end. These have all been important programs to keep Nova Scotia businesses liquid and viable as they've struggled through the pandemic.

We've tried to fill in behind with a number of different programs over time, including the Small Business Impact Grants Parts 1, 2, and 3, which have been focused on businesses that have been directly affected by the public health order over time. We've had two rounds now of the Tourism Accommodations Real Property Tax Rebate Program, which has been focused on the really significant effects that tourism accommodations operators in the province have felt over time with the limited ability for people to travel for leisure purposes, and the new Small Business Real Property Tax Rebate in recognition of the need for some cash flow.

That's how the two pieces have linked together. Of course, we are in regular contact with our federal colleagues at ACOA, and they participate in the Nova Scotia Business & Labour Economic Coalition meetings that I referenced earlier. They take place very regularly. We're in touch, of course, with our various stakeholder groups through the coalition, but also through individual meetings. We've had meetings with TIANS and Restaurants Canada. We've got a number of upcoming consultations scheduled.

As we're speaking this morning, Dr. Strang and some others are meeting with the Nova Scotia Association of REALTORS®. We've got some upcoming meetings with the

Canadian Federation of Independent Business and the business improvement districts. We're really trying to make sure that we're well engaged to understand where those gaps and needs are.

BEN JESSOME: I appreciate that consideration for partnership with evidently a variety of stakeholders that would represent a nice, wide variety of entities and organizations. I'm wondering if you can provide some commentary on how Nova Scotia stacks up against other provinces with respect to support for their businesses, just to give us and Nova Scotians a sense of what some of the other provinces are doing by comparison.

SCOTT FARMER: If we think about the situation that has occurred across the country, different provinces have taken different approaches to their management of public health and the imposition of restrictions, and of course, our programs have responded to that.

I don't have an exhaustive list of the programs that have been in place in other provinces but do have sort of a sampling of what's current in some of the other provinces. For example, in New Brunswick they are offering what they call a recovery grant. Right now it's a grant of up to \$5,000 to help businesses in certain categories, including drinking establishments, personal services, gym and fitness facilities - fairly similar to the programs that we have in place in terms of the Small Business Impact Grant at the moment.

If we look to P.E.I., they've got a current program focused on tourism. It's a cost-share program on new investments that tourism operators need to make to ready themselves for the upcoming season. A tourist operator who needs to buy some new furniture or put some new siding on a building can get a subsidy through the provincial government through that.

If we look a little further afield to Alberta as an example, they have a program that is called their Small and Medium Enterprise Relaunch Grant, similar in many respects to our Small Business Impact Grant. Again, its trigger is a revenue reduction of at least 30 per cent, similar to the trigger that we have in place. Its maximum is greater than the maximum that we have. It's \$10,000 instead of \$5,000. I couldn't say how many of these similar programs have preceded it in Alberta. Our Small Business Impact Grant is the third that we've done, in addition to a Small Business Reopening and Support Grant and the Small Business Real Property Tax Rebate grant.

What I would say is that on a sampling, there are some similarities between the programs that we've implemented in Nova Scotia and are current and some of the programs that are in place elsewhere.

BEN JESSOME: Thank you, Mr. Farmer. Over the last couple of weeks in particular, I've had some retail organizations reach out to me to indicate the difficulty that goes along with conducting themselves via curbside pickup. They have expressed some

displeasure around the imbalance between what they are permitted to do and what larger stores are enabled to do, because they also sell what have been deemed essential products, and some of the walk-out purchases that are typically the bread-and-butter business of these smaller entities are getting picked up by some of the larger stores.

I know there has been communication from the Premier and Public Health towards either the start of this week or the latter part of last week, related to those types of stores selling appropriately only essential items. Can you provide some commentary on the work that the department is undertaking to address that concern, if so?

SCOTT FARMER: Thank you for that. That has been the subject of a lot of discussion lately. If I could back up a little bit in terms of the Public Health objective, that is more important now than ever, given the case counts and the prevalence of COVID-19 and variants in the province. The Public Health objective is to limit the movement of people to the greatest extent possible and limit the density of people to the greatest extent possible.

Those are the two underlying goals. That's why there are rules about not travelling from your community, recommendations to stay as close to home as you possibly can, encouraging employers who can to have their employees work from home. It's all aimed at that Public Health objective of minimizing movement and density. One of the places where people congregate is in a retail setting. That was the basis for the limiting of retail to curbside pickup and delivery.

[10:15 a.m.]

At the same time, there are certain essentials that people require. Everybody needs groceries and everybody needs their medication from the pharmacy, so there was a necessity to continue to allow access to that. The messaging on this has been to get what you need and not more, and to think carefully about whether you really need to leave your home to go to a store. Dr. Strang talked about buying the sandals at Costco the other day, and there was some attention paid to that. It's a good illustration of, if it's not essential, don't purchase it. That has been the messaging.

To achieve that, one of the changes that was made in the Public Health order was to limit the number of shoppers per household to one. It had been a recommendation but hadn't been in the order previously. There are exceptions for people who are with children or have need for care, but generally speaking, it's limited to one person per household to do essential shopping only.

On Friday afternoon, we had a call with the Retail Council of Canada. I attended with a couple of other deputy ministers - Deputies Miller and Montgomerie - and Dr. Strang, to talk to the Retail Council of Canada members in Nova Scotia to reinforce the message that what we're really interested in here is essential shopping only. They're very

supportive and reported that one shopper per household had been a very effective measure previously to maintain the low number of people in any particular shopping area.

To go to a place where we specify what is and what isn't essential for somebody to buy becomes quite challenging because what's essential for one person may not be for another. I'm using the example of a blender. If I wanted a blender that better matched my kitchen, that's clearly not essential. If someone needs a blender because they use it to make baby food, and theirs is broken, then that's essential. To prevent somebody from buying a blender at Walmart or Canadian Tire is a difficult thing. We've focused more on the messaging and encourage people to buy just what's essential.

There's an interesting tool that's available on Google called Google Mobility. It tracks where people are going, based on the movement of their phones, I suppose. Yesterday's report showed that, compared to the baseline, retail traffic was down 50 per cent. People seem to be adhering to the requirements and just getting the essentials.

We know that it's difficult for the retailers that are limited to curbside and delivery. The best way to get them back fully open is to stop the current spread and get to a place where they're able to resume more normal business.

BEN JESSOME: I have last question from me, and then I'll pass it to one of my colleagues here. Just in terms of the operational side of the shop that's working with local businesses, we as MLAs, by extension, have a responsibility to be that conduit, that intermediary, to field questions and to clarify situations for individual businesses.

In terms of the shop that's been set up to deal with this particular side of things, can you provide some commentary on that entity as a whole and over the course of COVID-19, has that had to grow to enable more capacity? Just speak to, perhaps, the capability and the drive from that shop to field these types of questions and to help our businesses get through what has been, certainly, a very challenging time.

SCOTT FARMER: What I will say is that throughout COVID-19, from the very first day, there's really been an all-hands-on-deck approach to things, and people have stepped up and done things that are well outside their typical day-to-day. In terms of administration of the programs, Dalhousie stepping up in the way that they did to run the Nova Scotia COVID-19 Response Council is a great example of a partner getting outside of their normal line of work to respond to the pandemic.

We've seen that in government departments across the board, whether it's people who are in our department who would typically be doing other things now responding to inquiries coming in about the various programs, or whether it's people at Tourism Nova Scotia managing the Tourist Accommodations Real Property Tax Rebate Program. What we've seen across the board is a what's-needed-now response to work, and it's truly been remarkable.

What I will say is that, as we've implemented new programs, we've worked across various departments to get the necessary support. Just as an example: on the Small Business Impact Grant, when we've got the new applications flowing in shortly, we're going to need some more processing power on that. Our partners at Events East have stepped up to provide some staff to help with that.

It's been very nimble, we've taken advantage of all the fixed resources that we have, whether it's the call centre that exists at Service Nova Scotia and Internal Services or the people who have as a job public health officer in the Department of Environment and Climate Change, and then we've supplemented all around them with people volunteering and wanting to support in any way they can.

THE CHAIR: We have about 45 seconds left for the Liberal Caucus. Mr. Jessome.

BEN JESSOME: Finally, then, perhaps I'll put this final quick question to Mr. Grant: Can you, in 30 seconds or less, talk about how the COVID-19 scenario has impacted our budget?

RYAN GRANT: Referenced in a previous question, the fundamental difference between last year and this year - again, last year, budget-presented estimates and COVID-19 not fully anticipated so limited appropriation, if you will, for response. Really, the year last year was about identifying what costs were required and then picked up through the additional appropriations process that the previous member had asked previously about.

This year, we have a year under our belt, and we were really able to understand where there would be cost pressures, where expenses were required for a wide variety of expense categories for service delivery functions and departments. Then, also, where we may have our traditional programming, that would have utilization shifts. For this year, reported through budget, we have currently \$349.6 million for appropriations, across a wide spectrum, for provincial departments.

I will say that as response has continued to be required, including the intensity of the wave that we're currently in, we'll continue to monitor and work with departments. That process discussed about forecasts and appropriation will be replicated and will unfold this year.

THE CHAIR: That concludes the time for the Liberal caucus. We'll now move for another round of questioning. Each caucus will have seven minutes, and we'll start with Mr. Halman.

TIM HALMAN: I'd like to return to the topic of the concerns of our small businesses throughout Nova Scotia. In the first rounds, we discussed the concerns TIANS had with government's prioritization of multi-national corporations over our small

businesses. The folks here are fully aware of the concerns expressed by our Business Improvement Districts.

These concerns aren't new. You go back to the Premier's State of the Province address. If I recall, the Halifax Chamber of Commerce indicated with respect to Budget 2021, that it provided virtually no new money or supports for businesses most impacted by the pandemic. These concerns are coming from major organizations. These concerns are coming from individuals who are really struggling to put food on the table, who are really struggling to pay the bills. I hope that's not lost on anyone. We're talking about real livelihoods here.

How do you respond to all that criticism that's out there, with respect to the small business grants, to the budget, because there's a lot of that criticism out there?

THE CHAIR: Who did you want that question directed to?

TIM HALMAN: Deputy Farmer or Deputy Dean, whoever feels appropriate to answer.

THE CHAIR: You're on mute, Mr. Farmer.

SCOTT FARMER: I've not made it through an entire meeting yet, anywhere, without being reminded I was on mute. No reason to think today would be different, I guess.

I will begin by talking about the support programs and then perhaps I can defer to Deputy Dean and our finance colleagues on the budget, more generally. I've touched on the fact that the approach to date has been to try to integrate the provincial programs with the federal programs that exist. Lilani had spoken earlier about the relative position of the province, so we've definitely seen a reduction in GDP in the province.

As compared to other provinces, we've done well. I think only P.E.I. had done better last year, but we know that there's some sectors that have really felt the impact to a much larger extent. That has a lot to do in the restaurant industry, tourism accommodations in particular, and we know that some personal services businesses have been affected disproportionately as well.

We've aimed to develop the programs to address the most affected sectors and the ones affected by the Public Health order has been a design in the programs to work in concert with the federal programs. I take your point that there are businesses requesting further steps be taken, and what has been expressed previously by the Premier and the minister for our department is that they will continue to respond.

We're certainly hearing those concerns directly from businesses, and we're undertaking a series of targeted meetings to understand that a little better over the next few days. Those are in peoples' calendars upcoming over next week to inform what the next steps ought to look like. That's as it relates to the programs, but perhaps my Finance and Treasury Board colleagues could talk more about budget.

KELLIANN DEAN: I would say that we're continuing to monitor the situation right now and we'll adjust as needed based on what we're seeing and support various departments in the response to the pandemic. Our first priority really is to make sure that we help Nova Scotians through this pandemic, and that's going to put us in a situation that's going to support business.

Having said that, we know that the programs that are out there are very important. If there's an opportunity to look at different supports, we will do what we need to do.

[10:30 a.m.]

The other thing I would also add is that we have worked very closely with the federal government on providing business supports, but also other supports to vulnerable populations through the health care system, through the Safe Restart Agreement. We will continue to work with the federal government as well, as new needs may emerge. All that to say, it is certainly built on partnerships, as Deputy Farmer alluded to earlier.

We are working horizontally across government to identify what the needs are and are continuing to monitor and adjust. As my colleague indicated, we built \$350 million into this budget. We built that based on the experience we had in the first wave and the need for continued attention to cleaning, PPE, and other supports, but we also know that there may be an evolution of these supports because this pandemic is unpredictable. Hopefully, as we move forward and we have greater vaccinations, we will start to see the situation shift.

THE CHAIR: That does, unfortunately, conclude the time for the Progressive Conservative caucus. We will move now to the New Democratic Party caucus for seven minutes of questioning. Ms. Roberts.

LISA ROBERTS: Thank you and thanks very much for this opportunity. For Deputy Dean, the government business plan says that a recovery review will be conducted in 2021 to ensure that existing programs are both affordable and improving the well-being of Nova Scotians. Can you please clarify which department will lead this review and when we can expect to see terms of reference for it?

KELLIANN DEAN: Yes, thank you very much. I'd like to place that in the context of our four-year fiscal plan because we very much see that moving forward, looking at our existing program areas and opportunities around recovery will be important, but also we

expect to see a reduction in the amount of money that we will need for COVID-19 response and hopefully some rebound in our revenues. That should also combine to put us in a better fiscal position, and as our plan indicates, we are looking to be in surplus position by 2024-25.

The review will be cross-departmental and it will be a collaborative effort, again, where we will look for opportunities to increase efficiency in our program areas and also where there may be other opportunities to do things differently. That will be part of our fiscal plan going forward.

LISA ROBERTS: Thank you for that. When this is framed as being part of an effort to ensure that existing programs are affordable, should Nova Scotians expect cuts or layoffs?

KELLIANN DEAN: I don't think that is the intent at all. I think it is an opportunity to look at how we may be more effective in our delivery. Again, we are in the early days of looking to frame that up. It is an ongoing effort and, again, collaboration with other departments. That is not the intent.

LISA ROBERTS: Thank you. Ms. Dean and Mr. Farmer have both referenced collaboration with the federal government over a number of funding programs that were available as part of the COVID-19 response. A January report from the national office of the Canadian Centre for Policy Alternatives indicated that as of December 2020, Nova Scotia had not accessed the full federal amount that the Province was potentially entitled to in order to support low-wage essential workers, and that more than \$6 million was left on the table.

At the time when it was announced, the Prime Minister said, "If you're risking your health to keep this country moving and you're making minimum wage, you deserve a raise," but not all minimum wage essential workers in all provinces received the top-up. The minister explained in Estimates that the \$6 million in remaining funds was due to the way that the government defined essential workers.

I guess my question for Deputy Dean would be: Can the committee be provided the analysis that was used to decide which workers would be eligible?

KELLIANN DEAN: I can certainly take that back and see what analysis we have that could be provided. What I can tell you is that every jurisdiction had the ability to look at the needs in their specific jurisdiction, and we looked at essential workers in the front line of our health care system and that's where we dedicated the lion's share of those efforts. We can follow up on that one further to this committee meeting.

LISA ROBERTS: Thank you. What the deputy described is my understanding of how Nova Scotia did define essential workers, whereas Newfoundland and Labrador used

Public Safety Canada's guidance on essential services and functions in Canada during the COVID-19 pandemic to determine that frontline essential workers included health care, energy and utilities, information and communication technologies, food services - such as employees in grocery stores - and transportation, including taxi drivers. Why was Nova Scotia's definition so narrow?

KELLIANN DEAN: I'd like to defer to my colleague Lilani to answer this one.

LILANI KUMARANAYAKE: If you looked across the jurisdictions, every jurisdiction had a different approach to what was considered essential. Actually, in Nova Scotia, if you look at our Public Health orders, we didn't define "essential." Our initial Public Health orders always talked about which professions or which areas needed to close. For example, bars or restaurants, and initially it was health professionals like dentists and massage therapists.

Our health orders typically took a broader encompassing approach. Rather than saying, only these folks can work, we said, these are the areas that are pretty high risk so we need to make sure Nova Scotians are safe and these areas will close.

Nova Scotia didn't have a list of essential workers. If you compare it across different Public Health orders, when the essential worker program was created, the provinces either drew from the federal definition or did their own definitions. For us it was critical to ensure support for our frontline health care workers.

THE CHAIR: That concludes the time for the NDP caucus. We'll now move to the Liberal caucus. Who would like to start?

Please go ahead, Ms. DiCostanzo.

RAFAH DICOSTANZO: As I'm listening to all this, I'm just here saying that we're really at the end of this. I remember I've been in Canada for 37 years, and the last seven years prior to COVID-19, our economy was just going up in such a way that it made me so proud to be Nova Scotian, so proud of all the things we have changed. Whether it was immigration and the number of people, the businesses - everybody wanted to move to Nova Scotia.

I'm also seeing that during COVID-19, we've seen another positive thing. Last November, when we stabilized the numbers, people were calling and wanting to move to Nova Scotia, buying properties. I have businesses in Clayton Park West still opening during COVID-19. I still see that amazing feeling that we had, and I'm hoping that this is a bump in the road, that we all have worked so hard to keep it under control, so that as soon as we can control COVID-19 and we open to the world and we open to other provinces, we can take it back.

If I may ask, I was looking forward to a lot of the things that Develop Nova Scotia was working on. I see that Ms. Angel hasn't had a chance to speak, so I would love to ask her to update us on any stimulus project that she has been working on, and maybe also the internet. That was huge for me, to think - to get internet to the rest of Nova Scotia and what that would do to drive our economy in the rural areas, and how many people have moved to rural Nova Scotia from the rest of Canada during COVID-19.

Maybe she can update us on some of the projects she has worked on, stimulus projects, any ideas of where we're going from here as soon as we get rid of COVID-19.

THE CHAIR: Ms. Angel.

JENNIFER ANGEL: Thank you. At Develop Nova Scotia, when the pandemic began, we were focused on three key areas. The first - and we're not unique in this focus - was to keep people safe. Our team - but also running very important public spaces, we were immediately focused on how to ensure people could still access them for mental health, among other reasons. Our operations team did an excellent job of incorporating best practices and Public Health directives, and ensuring our operation was safe.

The second focus area was really on supporting business continuity and stimulating economic activity in sectors that it could continue, so that the businesses that we care about so much and that contribute so much to our communities could be healthy and could survive - and, indeed, even in some cases, thrive - through this very difficult period, but also so that on the other side of the pandemic, we could recover swiftly.

Lastly, as we were working through projects to do one and two, we were thinking about how to build back better. What does reinvention look like in this context, and how can we direct what, in the end, was significant project investment in a way that we build more inclusive opportunities for economic participation, in a way that we're building resilience to climate change, in a way that we're building capacity in communities and removing barriers to participation?

We undertook a very large capital stimulus program this year - close to \$40 million - building infrastructure that we think achieves a lot of those goals. Through partnership with community, building social infrastructure and economic infrastructure that really gives people a reason to come back together when it's safe to do so, that creates platforms for business to participate - existing businesses and new businesses to stand up - that engages more people in our community to be part of this placemaking work, and that really builds a sense of pride and hope and promise which we think contributes to the magnetism of Nova Scotia.

As you've pointed out, we've seen a really good trajectory in terms of population growth, which is a critical focus for our economic development work. We think Nova Scotia's key differentiator is our quality of place and life, so investment in those areas is

really doubling down where we're strong, and both attracts new people to visit and live - which is good for our economy - but also improves quality of life for residents and includes all people in our community.

To wrap up, because I know I'm taking a lot of airtime here, your specific question on the Internet for Nova Scotia Initiative - I don't think there's a better example of enabling infrastructure than that project, probably. A very significant investment by the Province - \$193 million - which has leveraged more than \$115 million in private sector investment.

It is a very large and complex project. We have projects underway that will reach more than 97 per cent of Nova Scotians. Together with some municipal projects also underway, we expect to see greater than 99 per cent of Nova Scotians connected to high-quality high-speed internet. Our projects will conclude by 2023.

[10:45 a.m.]

In the first couple phases of the project undertaken to date, our private sector partners are telling us that we're moving about 50 per cent faster than what they would typically expect in a build of this complexity and scale. We have reached, since last January, more than 39,000 homes and businesses across the province.

It can't come soon enough. It's such critical infrastructure for our economy, but also for delivery of education and delivery of health services, and also for our well-being in terms of social connections and mental health.

I'm very proud of the work the team has done, and during a pandemic where supply chains are disrupted and there have been labour disruptions. This is a very skilled workforce required to implement this very large project and despite all of those challenges, people have really put their heads down and made it happen, in part because they think they understand how much it means to Nova Scotians.

It is also enabling the relocation of people to areas across the province, including rural Nova Scotia.

THE CHAIR: Order. This concludes the time for questioning for the Liberal caucus. Thank you. I apologize, Ms. Angel.

Now, I would like to first of all thank all of the witnesses who joined us today. We really appreciate your time and we really appreciate the incredible, valuable work that each one of you are doing for the people of Nova Scotia.

I would like to invite our witnesses to, if they wanted to make any closing remarks, you could do so at this time. Would anyone like to do so? Just raise your hand. Mr. Farmer.

SCOTT FARMER: Thank you, Madam Chair and I will be brief. First of all, I'd like to thank the committee for the questions and the engagement around this important topic today. We appreciated the opportunity to be here and to talk about it.

I'd like to offer an observation, since we are on the topic of COVID-19 and the Province's response. I feel like I've had a bit of a unique perspective on things inside government. When everything began, I was with Service Nova Scotia and I was chairing a committee of senior officials in the early days of our COVID-19 response. At that time, it was all hands on deck across government, as I've described. There were no boundaries between the work day and what needed to be done, and it was remarkable how people stepped up.

I then moved to the Department of Environment, as it was called then, where we were involved in the COVID-19 response with our Public Health team and people from all over our operation - conservation officers, environment inspectors, and others dropping what they needed to do or finding ways to do their regular work and be present at the borders to ensure the safety of Nova Scotians without complaint, without hesitation.

In this current role at Inclusive Economic Growth, at any hour of any day, there are people working on responses to the needs of individual businesses in the province. So just to say in an open forum like this how much the perseverance and dedication of all of the Public Service has been valued and appreciated. We are a few people representing a lot of people who have put in a lot of effort to try to make things better for Nova Scotians.

THE CHAIR: Thank you, Mr. Farmer. Ms. Dean.

KELLIANN DEAN: Thank you very much. Thank you to all the committee members for your questions. We appreciate the opportunity to be with you today and I would echo my colleague's sentiments with respect to the outstanding work of the public servants across the province right now, as well as our frontline health workers. We continue to be here to support and hopefully to address this pandemic and return to better times. Thank you very much.

THE CHAIR: Thank you, Ms. Dean. Mr. Hebb.

MATT HEBB: Thank you, Madam Chair and thank you to the committee members and also to my colleagues in the departments represented here. I would just like, again, to say that it's been our pleasure as a university to be able to step up and help our province deal with the pandemic.

As we look forward to getting beyond it, as Ms. DiCostanzo said, and rebuilding the province, there are a couple of things that I reflect on. One is that in many respects Nova Scotia has comported itself incredibly well, not only within Canada, but globally and I think that the result of that collective work on all of our parts has resulted in a new

magnetism for this part of the world, which I think is something we will want to carry forward.

At the same time, as has also been remarked this morning, I think we have shone more light on some of the things that we have not done well as a province: some of the inequities that have persisted and that we need to address going forward. I do believe that, as a province, there's an incredible intersection of place and human potential that can form the foundation of an incredible comparative strength for us.

I just want to say, on behalf not only of Dalhousie but the entire higher education sector - all 10 of our universities and our great community college system - that I believe we can be very strong partners in that intersection between place and human potential as we think about rebuilding our economy in the weeks, months, and years ahead. We will certainly stand ready to partner with colleagues in government, the private sector, and civil society as we work collectively to do that.

Thank you again for the opportunity to be here this morning.

THE CHAIR: At this time, I would once again thank all the witnesses for being with us today and invite you to now leave the meeting. I ask committee members to stay on, as we have some committee business to complete. Thank you again.

That was very informative. Now we'll just go over some committee business and I certainly welcome any of you to make any comments or if you have any questions.

The first piece of committee business is just to make sure that everyone received the correspondence from the Department of Transportation and Active Transit. This was information that the committee had requested at the April 14th meeting. If you did not receive that, just please let us know.

Also, I would like to mention that we would like to meet with the new Auditor General. There is a Teams meeting that is in the works being arranged. I believe all members did provide dates that you would be available. Of the members who responded, the majority of members are available on June 17th between 11:00 a.m. and 12:00 noon, with the next best dates being June 14th from 1:00 p.m. to 2:00 p.m. or 2:00 p.m. to 3:00 p.m., and June 18th any time between 9:00 a.m. and 12 p.m. These dates have been sent through to the Auditor General's office. We will let everyone know where that stands.

Mr. Wilson.

GORDON WILSON: Just on the outside chance that those dates don't work out, is it possible to maybe have a one-on-one with the AG?

THE CHAIR: Ms. Langille, are you able to answer that question?

KIM LANGILLE (Legislative Committee Clerk): This was a request from the AG's office. Those are the dates that they provided. I would say it's really up to them, I guess, how they would proceed. I think they may be going to reach out to caucuses. It's all being organized through their office. I don't know if Mr. McWade knows anything more about that. That's what I have been advised anyway.

MORGAN MCWADE (Assistant Auditor General): Yes, I can briefly respond. It was being arranged by our office as a one-stop shop for the members to spend some more time with the Auditor General. I can certainly take this point back, that if there's a day that works for most but not all. If there's interest to have one-on-one sessions, I can bring that back to the Auditor General and our office. We're oftentimes very open and transparent, so, more than willing to meet with yourselves at any time.

GORDON WILSON: It wasn't a hill to die on - I understand she's getting her feet underneath her still. Not a problem. Thank you.

THE CHAIR: It was requested at last month's meeting that in-person meetings be placed on the agenda. Obviously, a lot has changed between last meeting and now. There was a motion passed in December of 2020 that the Public Accounts Committee continue to hold meetings virtually until the committee sees that it is safe to meet in person, for witnesses and for staff.

Is there any discussion about that today? Mr. Jessome.

BEN JESSOME: Perhaps the Clerk can correct me if I'm wrong, but I believe there was also a subsequent motion that gave us the flexibility to kind of make the decision on the fly. My memory might be serving me incorrectly.

THE CHAIR: Okay, thank you. Ms. Langille, do you have any advice?

KIM LANGILLE: My recollection as far as Public Accounts goes was that it was just that initial motion. I can certainly go back and check but I don't recall anything further. It has been discussed many times but I don't know that anything more formal came out than what initially happened.

BEN JESSOME: Okay, fair enough. Sorry, they all kind of blend together sometimes, so that's my undoing. I'm not an official member of the committee but perhaps we could table this until next meeting for further consideration.

THE CHAIR: Yes, and because that motion did pass in December 2020, until there's a new motion which changes it, we will continue to meet virtually. Any other discussion on this? Okay, great.

Our next meeting date is June 9th. Our in camera briefing will be 8:30 a.m. to 9:00 a.m., and our Public Accounts Committee will be 9:00 a.m. to 11:00 a.m.. Our witnesses will be the Department of Finance and Treasury Board, the Public Service Commission, Service Nova Scotia and Internal Services and the Fraud Risk Management Committee, regarding fraud risk management and cybersecurity regarding the December 2020 financial report of the Auditor General.

Does anyone have any comments or questions about our next meeting? Hearing no further business, we can adjourn today's meeting.

Thank you, everyone. Have a good day.

[The committee adjourned at 10:57 a.m.]